

Admit Socialist World Outpacing Capitalism

By Labor Research Association

A SIGNIFICANT article has appeared in the July, 1953, issue of "Foreign Affairs," a quarterly magazine whose editorial board includes such names as John W. Davis, Allen W. Dulles, George F. Kennan, and John J. McCloy.

Entitled "The Soviet Economy Outpaces the West," and written by an Oxford Fellow, Peter Wiles, it includes several revealing comparisons about economic progress in the capitalist and socialist sectors of the world.

Although Wiles is hostile to the Soviet Union and works over the typical array of anti-Soviet falsifications, his general conclusions are important.

Wiles starts right out to demonstrate that socialism is superior to capitalism, and he berates those who will not even entertain the thought that such a possibility might exist. He writes: "Today the West finds difficulty in conceding the possibility that the rate of economic growth—especially in strategic articles, not luxuries—is higher in Communist than in non-Communist countries."

He then adds: "... from the most skeptical studies the fact of a superior rate or growth does emerge ... by whatever other criteria economics may be judged, Communism is at any rate beating 'capitalism', whether in the form of laissez-faire or of the welfare state, in its rate of growth."

Making doubtful assumptions that are favorable to capitalism's performance and using statistical comparisons and data that he admits are weighted against the productive performance of the Soviet Union, Wiles nevertheless concludes:

It is thus clear that by this academic comparison Soviet economic development betters all recorded data for the West."

So, he continues, "It is thus likely, that even assuming full employment in most capitalist countries, the Soviet economy will grow more quickly."

THERE IS ALSO a short pas-

sage touching on the industrial development in the People's Democracies. In contrast to the wild stories circulating in the U.S. press about the imminent economic collapse in Eastern Europe, Wiles notes: "It may be asked if Czechoslovakia, the only advanced and industrialized country yet overrun by Communism, shows a lower rate of growth than other satellites. People's Democracies—LRA) The answer is no. Her index of production reads thus: 1948—100; 1949—115; 1950—135; 1951—156. . . . There is thus no consolation here, and no confirmation of the doctrine that Communism is unable to take over and work an advanced country."

Wiles also recognizes that the construction of basic heavy industry is at present favored in the Soviet Union and the People's Democracies, at the expense of lighter, consumer industries. However, he points out, "In the long run, and if progress continues at this rate, it will certainly be reversed . . . (and that) there must one day be a higher standard of living too . . ."

All this, of course, leaves the author very unhappy. At the beginning of his article, he bravely announced, "Some people are shallow enough to suppose that if this superiority (more rapid Soviet economic growth than capitalist growth—LRA) is admitted the whole case of the free world is lost."

YET AFTER proving quite satisfactorily that socialism is a form of economic organization superior to capitalism, Wiles has not offered much hope for his "free" world. Lamely he concludes:

"This is not the place to say exactly what ought to be done, even if the writer presumed to know. Preventive war is immoral, a revolution or appeasement next to impossible. Too great hopes should not be set on trouble-making. The solution for the gap raised here lies without doubt in the economic field. We must raise our production and keep the gap between us and them as great as it now is. Other-

wise, time is on their side."

This is fine as far as it goes, but Wiles offers no suggestions on how to raise capitalist production and its rate of growth.

One significant remark on this subject appears elsewhere in his article. In discussing the phenomenal rate of growth of the Soviet economy, Wiles remarks: "Only in wartime do capitalist systems show comparable rates of growth."

Perhaps that is why the U.S. stock market trembles every time peace is mentioned.